THE HON'BLE SRI JUSTICE C.Y.SOMAYAJULU

WRIT PETITION No.8059 of 2001

Date: 03.12.2007

Between:

1. The Sugar Factory Mazdoor Sabha, Regd.No.61, affiliated to HMS, represented by its President Sri Nayini Narasimha Reddy and another

……PETITIONER(S)

A N D

1. The Nizam Sugars Limited, rep. by its Managing Director and another

……RESPONDENT(S)

THE HON'BLE SRI JUSTICE C.Y.SOMAYAJULU

WRIT PETITION No.8059 of 2001

ORDER:

This petition is filed by Sugar Factory Mazdoor Sabha seeking a direction to the respondent not to put to auction the land in S.Nos.689 to 705 admeasuring 140 acres on 25.04.2001.

2. The case of the petitioners-Union is that its members are employees in the first respondent sugar factory and that the management of the Sugar factory, as per the circular dated 25.06.1999, proposed to allot 200 sq.yds. of site to each of the employees, and collected an amount of Rs.1,935/- from each of its 1,235 employees towards the cost of plots and earmarked the land in S.Nos.689 to 705 for that purpose. But, suddenly an advertisement appeared in a newspaper that the respondent Sugar factory is going to sell 140 acres of land in S.Nos.689 to 705 in a public auction on 25.04.2001. Therefore, this petition is filed seeking a direction to the respondent not to sell the land of the Sugar factory in public auction without first allotting it to the members of the petitioners-Union.

3. The General Manager (Finance) filed his counter affidavit on behalf of respondents 1 and 2, *inter alia* admitting collection of Rs.1,935/- from 1,235 employees. He alleged that from out of those 1,235 employees, 20 of them took back the money paid by them and so only Rs.23,16,320/- is lying with the Sugar factory which later sold its Quarters to 910 out of 1,215 employees at a

nominal value fixed by the District Collector, Nizamabad, as a welfare measure. So, only 305 employees remained houseless. He denied the allegation of the petitioners that the Sugar factory earmarked 140 acres of land in S.Nos.689 to 705 for sale to its employees and as all the units of Nizam Sugar Factory were privatized, in pursuance of the policy decision of the Government of Andhra Pradesh, the employees of those factories were relieved from the services of the Sugar factories with effect from 31.10.2002, and as it is learnt that the petitioners-Union has become defunct and as many of its ex-employees left the sugar factory in 2002 itself, and as the Government vide its letter dated 21.03.2001 addressed the Sugar factory that it is not desirable to dispose of its assets at a price less than the market value, petitioners are not entitled to any relief.

4. Fifth respondent who was impleaded as a party to the petition, on his petition, also filed his counter affidavit.

5. When the writ petition came up for admission before him on 24.04.2001, the learned Judge posted the case to 24.07.2001 at the request of the standing counsel for respondents 1 and 2 and gave an interim direction not to auction the land in an extent of 100 acres among the survey numbers enumerated in the petition till then. Thereafter the writ petition was admitted on 14.09.2001. A learned Judge dismissed WPMP No.10614 of 2005, which is filed for modification of the earlier order passed on 24.04.2001, on 23.02.2006. In fact, the order of stay granted on 24.04.2001 was only till 24.07.2001, as that order granting stay till 24.07.2001 was not extended for any further period. Be that as it may, it is clear from the counter affidavit filed on behalf of respondents 1 and 2, the Sugar factory was privatized on 31.10.2002. The Government gave a specific direction to the Sugar factory not to dispose of its assets at a rate less than the market price through its order dated

21.03.2001. The averment in the counter affidavit filed on behalf of respondents 1 and 2 that Quarters of the first respondent Sugar factory were allotted to several employees at a nominal price is not disputed by the petitioners by filing a reply affidavit. When the government gave a direction not to sell the land at less than the market rate, question of this Court giving a direction to the respondents to sell the land to the members of the petitioner-Union at a nominal price does not arise. The members of the petitioners-Union whose amounts are not refunded by the first respondent can initiate proceedings for recovery of the amounts due to them or make a representation to the government to reconsider its decision.

6. The Learned counsel for petitioners stated that the representation submitted by the members of the petitioners-Union is pending with the Government. So, this petition is disposed of with a direction to the Government to pass appropriate orders either allowing or rejecting the request of the members of the petitioners-Union as expeditiously as possible. No order as to costs.

03.12.2007

Cvrk